

City of Sunnyvale
Program Performance Budget

Program 710 - Financial Management and Analysis

Program Outcome Statement

Ensure a strong and secure financial position for the City through fiscal stewardship of City resources and provision of financial expertise in City operations, by:

- Conducting internal audits to ensure the integrity and efficiency of City programs, processes and procedures,
- Performing comprehensive and systematic external revenue audits to safeguard and enhance the City's major income streams,
- Providing fiscal impact analysis to help protect the City's interests in matters of state and federal legislation, and
- Providing on-going financial analyses and expertise to the City Council and executive leadership to ensure sound fiscal decision-making, safeguard resources and maintain consistency with City policies and objectives,

So that:

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<u>Program Outcome Measures</u>	<u>Weight</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ City maintains a Standard & Poor's Issuer Credit Rating of AA+.					
- Maintained Rating	5	100.00%	100.00%	100.00%	100.00%
♦ 80% of City's annual internal audit plan, as approved by the City Manager, is completed. [DELETED]					
- Percent Completed	4	80.00%	100.00%	0.00%	0.00%
♦ 85% of legislative issues, identified as having potential fiscal impacts, are analyzed and the appropriate action taken. *					
- Percent	4	75.00%	88.00%	85.00%	85.00%
♦ Revenue audits conducted generate a 200% return on investment.					
- Percent Return	3	200.00%	753.30%	200.00%	200.00%
♦ A minimum number of service delivery plans, or an equivalent number of operating programs, representing in dollar value at least 12.5% of the budgeted amount for all operating programs, shall be audited annually such that every program is audited within an eight-year period. [DELETED]					
- Percent	4	12.50%	19.50%	0.00%	0.00%
♦ The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0.					
- Ratio	5	1.00	1.23	1.00	1.00
♦ 80% of scheduled performance audits, as approved by the City Council, are completed.					
- Percent Completed	4	0.00%	0.00%	80.00%	80.00%
♦ At least three programs, or a number of Programs/Service Delivery Plans representing not less than 12.5% of the budgeted amount for all programs, shall undergo performance auditing each year.					
- Number of Programs	4	0.00	0.00	3.00	3.00
- Percent of Budget	4	0.00%	0.00%	12.50%	12.50%
♦ Compensation-based analyses will be completed within 30 days of request. [Moved from Program 717.]					
- Days	4	0.00	0.00	30.00	30.00

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Program Notes

1. The program measures marked with an * have been scaled back as part of the FY 2003/04 budget and service reduction process.
2. Program 710 was restructured in FY 2002/2003. As is typical with restructured programs, changes are proposed after 1-2 years that "recast" outcome measures and activities to better reflect actual service delivery, based on immediate past experience.
3. Program outcome measure "80% of City's annual internal audit plan..." has been replaced by program outcome measure "80% of scheduled performance audits...".
4. Program outcome measure "A minimum number of service delivery plans..." has been replaced by program outcome measure "At least three programs, or a number of...".
5. Program outcome measure "Compensation-based analyses will be..." has been moved from Program 717 - Compensation Management, due to program consolidation. Actual results for FY 2002/03 (30 Days) and FY 2003/04 current target (30 Days) can be found under Program 717 outcome measures.

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Program 710 - Financial Management and Analysis

Service Delivery Plan 71002 - Financial Analysis

SDP Outcome Statement

Provide on-going financial expertise to City Leadership/Management consistent with City policies and objectives, by:

- Preparing/presenting clear and concise reports of major revenue and expenditure trends,
- Conducting fiscal impact analysis to help protect the City's interests in matters of state and federal legislation, and
- Performing financial and related analyses to ensure sound decision-making in internal and external matters of the City, so that:

<u>SDP Outcome Measures</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ 85% of legislative issues, identified as having potential fiscal impacts, are analyzed. *				
- Percent	75.00%	88.00%	85.00%	85.00%
♦ A quarterly report highlighting major revenues and expenditures is distributed to the City Manager within 10 days of the close of each quarter. [DELETED]				
- Report Distributed	4.00	0.00	0.00	0.00
♦ Number of revenue audits accomplished. [DELETED]				
- Revenue Audits	3.00	4.00	0.00	0.00
♦ A report highlighting major revenues and expenditures is distributed to the City Manager and City Council each accounting period 85% of the time.				
- Reports Distributed	0.00	0.00	11.00	11.00
- Percent of Time	0.00%	0.00%	85.00%	85.00%
♦ Compensation-based analyses will be completed within 30 days of request. [Moved from Program 717.]				
- Days	0.00	0.00	30.00	30.00
♦ The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0.				
- Ratio	0.00	0.00	1.00	1.00

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Program 710 - Financial Management and Analysis

SDP Notes

1. The service delivery plan measures marked with an * have been scaled back as part of the FY 2003/04 budget and service reduction process.
2. SDP outcome measure "A quarterly report highlighting major revenues..." has been replaced by SDP outcome measure "A report highlighting major revenues...".
3. SDP outcome measure "Number of revenue audits..." has been moved to SDP 71005 - Financial/Operational and Revenue Audits.
4. SDP outcome measure "Compensation based reports..." has been moved from Program 717 - Compensation Management, due to program consolidation.

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Program 710 - Financial Management and Analysis

Service Delivery Plan 71002 - Financial Analysis

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 710006 - Chief Financial Officer Internal Consulting Services				
Product: A Work Hour				
Costs:	99,843.72	69,016.05	50,264.06	53,063.93
Products:	500.00	592.00	413.55	413.58
Work Hours:	500.00	592.00	413.55	413.58
Product Cost:	199.69	116.58	121.54	128.30
 Activity 710007 - Provide Financial Analysis In Response To Department Request [DELETED]				
Product: A Work Hour				
Costs:	69,131.89	73,853.00	0.00	0.00
Products:	800.00	978.30	0.00	0.00
Work Hours:	800.00	978.30	0.00	0.00
Product Cost:	86.41	75.49	0.00	0.00
 Activity 710008 - Legislative Analysis				
Product: Proposed Legislation Analyzed				
Costs:	32,376.89	29,491.83	40,537.15	42,875.71
Products:	15.00	25.00	15.00	15.00
Work Hours:	400.00	403.50	491.10	491.13
Product Cost:	2,158.46	1,179.67	2,702.48	2,858.38

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	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 710009 - Revenue and Expense Monitoring [DELETED]				
Product: A Fund Reviewed				
Costs:	13,837.00	17,557.56	0.00	0.00
Products:	15.00	9.00	0.00	0.00
Work Hours:	200.00	246.00	0.00	0.00
Product Cost:	922.47	1,950.84	0.00	0.00
 Activity 710010 - Audit/Analyze External Revenue Sources [DELETED]				
Product: A Revenue Audit				
Costs:	114,837.00	83,428.79	0.00	0.00
Products:	3.00	4.00	0.00	0.00
Work Hours:	200.00	620.00	0.00	0.00
Product Cost:	38,279.00	20,857.20	0.00	0.00
 Activity 710011, 710012, 710013, 710014 - Economic Development Analysis				
Product: A Work Hour				
Costs:	71,054.25	51,048.93	68,902.48	70,805.46
Products:	1,250.00	467.00	258.47	258.49
Work Hours:	1,250.00	467.00	258.47	258.49
Product Cost:	56.84	109.31	266.58	273.92

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Program 710 - Financial Management and Analysis

Service Delivery Plan 71002 - Financial Analysis

	2003/2004 Budget	2003/2004 Achieved	2004/2005 Current	2005/2006 Adopted
Activity 710020 - General Analysis				
Product: A Project				
Costs:	0.00	0.00	47,527.95	49,590.63
Products:	0.00	0.00	15.00	15.00
Work Hours:	0.00	0.00	697.87	697.92
Product Cost:	0.00	0.00	3,168.53	3,306.04
Activity 710120 - Retirement Contract Management				
Product: A Work Hour				
Costs:	0.00	0.00	10,099.75	10,672.71
Products:	0.00	0.00	103.39	103.40
Work Hours:	0.00	0.00	103.39	103.40
Product Cost:	0.00	0.00	97.69	103.22
Activity 710130 - Fiscal Analysis - Negotiations				
Product: A Work Hour				
Costs:	0.00	0.00	10,099.75	10,672.71
Products:	0.00	0.00	103.39	103.40
Work Hours:	0.00	0.00	103.39	103.40
Product Cost:	0.00	0.00	97.69	103.22

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Service Delivery Plan 71002 - Financial Analysis

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 710140 - Provide Financial Analysis In Response Department Request				
Product: A Request				
Costs:	0.00	0.00	90,525.88	93,629.84
Products:	0.00	0.00	25.00	25.00
Work Hours:	0.00	0.00	982.19	982.25
Product Cost:	0.00	0.00	3,621.04	3,745.19
 Totals for Service Delivery Plan 71002 - Financial Analysis				
Costs:	401,080.75	324,396.16	317,957.02	331,310.99
Work Hours:	3,350.00	3,306.80	3,049.96	3,050.17

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Service Delivery Plan 71003 - Provide Management and Administrative Services

SDP Outcome Statement

Provide administrative management services in support of department and program activities, by:

- Providing internal/external customer contact services through department answer point functions,
- Performing data entry inputting of accounting and financial transactions,
- Ensuring timely delivery and notification of internal/external mail,
- Providing centralized administrative support to department managers and supervisors,
- Completing planned and unplanned special projects that benefit City operations, and
- Providing training opportunities to ensure an adequate knowledge base and to help facilitate positive workplace contributions, so that:

<u>SDP Outcome Measures</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ 75% of non-routines are completed within initial plan.* - Percent	70.00%	50.00%	75.00%	75.00%
♦ Employees attend a minimum/equivalent of one 8-hour training session per year as identified in work plan. - Training Hours	72.00	74.00	56.00	56.00

SDP Notes

1. The service delivery plan measures marked with an * have been scaled back as part of the FY 2003/04 budget and service reduction process.

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Service Delivery Plan 71003 - Provide Management and Administrative Services

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 710015 - Administration of Department				
Product: A Work Hour				
Costs:	68,563.46	65,600.97	69,971.28	73,498.90
Products:	600.00	731.30	620.33	620.37
Work Hours:	600.00	731.30	620.33	620.37
Product Cost:	114.27	89.70	112.80	118.48
 Activity 710016 - Special Projects				
Product: A Work Hour				
Costs:	38,592.90	28,126.87	26,482.48	27,978.40
Products:	425.00	251.00	258.47	258.49
Work Hours:	425.00	251.00	258.47	258.49
Product Cost:	90.81	112.06	102.46	108.24
 Activity 710017 - Training				
Product: A Training Hour				
Costs:	10,452.34	4,233.67	3,757.67	3,966.00
Products:	130.00	74.00	57.90	57.90
Work Hours:	130.00	74.00	57.90	57.90
Product Cost:	80.40	57.21	64.90	68.50

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Service Delivery Plan 71003 - Provide Management and Administrative Services

	<u>2003/2004</u> <u>Budget</u>	<u>2003/2004</u> <u>Achieved</u>	<u>2004/2005</u> <u>Current</u>	<u>2005/2006</u> <u>Adopted</u>
Activity 710018 - Central Support Services				
Product: A Work Hour				
Costs:	238,843.05	225,946.63	116,807.22	123,589.06
Products:	5,000.00	4,668.05	1,852.73	1,852.84
Work Hours:	5,000.00	4,668.05	1,852.73	1,852.84
Product Cost:	47.77	48.40	63.05	66.70
 Totals for Service Delivery Plan 71003 - Provide Management and Administrative Services				
Costs:	356,451.75	323,908.14	217,018.65	229,032.36
Work Hours:	6,155.00	5,724.35	2,789.43	2,789.60

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Service Delivery Plan 71004 - Performance Audit

SDP Outcome Statement

Enhance the City's operations and accountability by providing objective assurance of the accuracy of performance reporting, by:

- Evaluating the accuracy of reported results as well as compliance with policies, guidelines and procedures,
- Assessing the efficiency and effectiveness of operations,
- Providing assistance to programs as they implement audit recommendations, and
- Providing technical assistance and internal consulting, so that:

<u>SDP Outcome Measures</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ 80% of performance audit recommendations are approved for implementation. - Percent	0.00%	0.00%	80.00%	80.00%
♦ 90% of eligible audit recommendations approved by Council are implemented within the specified timeframe. - Percent	0.00%	0.00%	90.00%	90.00%
♦ At least three programs or a number of programs or Service Delivery Plans, representing not less than 12.5% of the budgeted amount for all programs, shall undergo performance auditing each year. - Number of Programs	0.00	0.00	3.00	3.00
- Percent of Budget	0.00%	0.00%	12.50%	12.50%
♦ 80% of scheduled performance audits, as approved by the City Council, are completed. - Percent	0.00%	0.00%	80.00%	80.00%
♦ The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0. - Ratio	0.00	0.00	1.00	1.00

SDP Notes

1. Proposed recast splits SDP 71001 into SDPs 71004-Performance Audit, and 71005-Financial/Operational and Revenue Audits to more accurately and consistently account for the various types of auditing and analysis.

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Service Delivery Plan 71004 - Performance Audit

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 710030 - Conduct Initial Program Performance Audits				
Product: A Completed Draft Report				
Costs:	0.00	0.00	98,252.92	104,026.11
Products:	0.00	0.00	3.00	3.00
Work Hours:	0.00	0.00	1,395.75	1,395.83
Product Cost:	0.00	0.00	32,750.97	34,675.37
 Activity 710040 - Assist With Implementing Audit Recommendations				
Product: A Number of Programs Assisted				
Costs:	0.00	0.00	47,872.50	50,681.32
Products:	0.00	0.00	3.00	3.00
Work Hours:	0.00	0.00	672.03	672.07
Product Cost:	0.00	0.00	15,957.50	16,893.77
 Activity 710050 - Conduct Follow-Up Performance Audits				
Product: A Completed Draft Report				
Costs:	0.00	0.00	30,162.94	31,932.92
Products:	0.00	0.00	2.00	2.00
Work Hours:	0.00	0.00	423.89	423.92
Product Cost:	0.00	0.00	15,081.47	15,966.46

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Service Delivery Plan 71004 - Performance Audit

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 710060 - Audit Technical Assistance and Consulting				
Product: A Work Hour				
Costs:	0.00	1,200.00	12,202.59	12,918.19
Products:	0.00	0.00	170.59	170.60
Work Hours:	0.00	0.00	170.59	170.60
Product Cost:	0.00	0.00	71.53	75.72
 Activity 710070 - Audit Support Activity				
Product: A Work Hour				
Costs:	0.00	0.00	13,916.03	14,617.63
Products:	0.00	0.00	164.39	164.40
Work Hours:	0.00	0.00	164.39	164.40
Product Cost:	0.00	0.00	84.65	88.92
 Totals for Service Delivery Plan 71004 - Performance Audit				
Costs:	0.00	1,200.00	202,406.98	214,176.17
Work Hours:	0.00	0.00	2,826.65	2,826.82

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Service Delivery Plan 71005 - Financial/Operational and Revenue Audits

SDP Outcome Statement

Ensure the integrity and efficiency of the City's financial/operational systems and procedures, and enhance/protect the City's major revenue sources through providing objective assurance that adequate internal/external controls exist, by:

- Evaluating the financial transactions of City departments/programs to guarantee that all applicable federal, state and local requirements and guidelines are followed,
- Assessing the efficiency and effectiveness of processes and procedures to improve productivity and generate cost savings,
- Providing assistance to implement audit recommendations,
- Providing technical assistance and internal consulting,
- Performing systematic and comprehensive review of external revenue collection and allocation methodologies for property tax, sales tax, utility users tax and other major revenue sources to ensure correct payments are received, and
- Verifying that any misallocated or unreported revenues are rightfully returned to the City in a timely fashion, so that:

<u>SDP Outcome Measures</u>	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
♦ 80% of financial/operational audits, as approved by the City Manager, are completed. - Percent	0.00%	0.00%	80.00%	80.00%
♦ 80% of financial/operational audit recommendations are approved for implementation. - Percent	0.00%	0.00%	80.00%	80.00%
♦ 90% of eligible financial/operational audit recommendations are implemented within the specified timeframe. - Percent	0.00%	0.00%	90.00%	90.00%
♦ Number of revenue audits accomplished. - Number	0.00	0.00	4.00	4.00
♦ The Budget/Cost Ratio (planned cost divided by actual cost) is at 1.0. - Ratio	0.00	0.00	1.00	1.00

SDP Notes

1. Proposed recast splits SDP 71001 into SDPs 71004-Performance Audit, and 71005-Financial/Operational and Revenue Audits to more accurately and consistently account for the various types of auditing and analysis.

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Service Delivery Plan 71005 - Financial/Operational and Revenue Audits

	<u>2003/2004 Budget</u>	<u>2003/2004 Achieved</u>	<u>2004/2005 Current</u>	<u>2005/2006 Adopted</u>
Activity 710080 - Conduct Financial Operational Audits				
Product: A Completed Financial Operational Audit				
Costs:	0.00	0.00	62,226.10	62,823.21
Products:	0.00	0.00	4.00	4.00
Work Hours:	0.00	0.00	0.00	0.00
Product Cost:	0.00	0.00	15,556.53	15,705.80
 Activity 710090 - Provide Financial Operational Audit Analysis and Support				
Product: A Completed Financial/Operational Audit				
Costs:	0.00	0.00	47,505.08	50,264.31
Products:	0.00	0.00	4.00	4.00
Work Hours:	0.00	0.00	612.06	612.10
Product Cost:	0.00	0.00	11,876.27	12,566.08
 Activity 710100 - Conduct External Revenue Audits				
Product: A Completed Revenue Audit				
Costs:	0.00	0.00	80,800.00	81,575.35
Products:	0.00	0.00	4.00	4.00
Work Hours:	0.00	0.00	0.00	0.00
Product Cost:	0.00	0.00	20,200.00	20,393.84

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Service Delivery Plan 71005 - Financial/Operational and Revenue Audits

	2003/2004 Budget	2003/2004 Achieved	2004/2005 Current	2005/2006 Adopted
Activity 710110 - Provide Revenue Audit Analysis and Support				
Product: A Completed Revenue Audit				
Costs:	0.00	0.00	26,717.17	28,278.00
Products:	0.00	0.00	4.00	4.00
Work Hours:	0.00	0.00	361.86	361.88
Product Cost:	0.00	0.00	6,679.29	7,069.50
Totals for Service Delivery Plan 71005 - Financial/Operational and Revenue Audits				
Costs:	0.00	0.00	217,248.35	222,940.87
Work Hours:	0.00	0.00	973.92	973.98

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Totals for Program 710					
	Costs:	757,532.50	649,504.30	954,631.00	997,460.39
	Work Hours:	9,505.00	9,031.15	9,639.96	9,640.57